

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

BH SUTTON MEZZ LLC, a Delaware Limited  
Liability Company,

Chapter 11

SUTTON 58 OWNER, LLC, a Delaware Limited  
Liability Company, and

Case No.: 16-10455 (SHL)  
(Jointly Administered)

SUTTON 58 OWNER, LLC, a New York Limited  
Liability Company,

Debtors.

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**NOTICE OF AUCTION SALE RESULTS**

**PLEASE TAKE NOTICE that:**

1. On November 4, 2016, debtors and debtors-in-possession BH Sutton Mezz LLC, a Delaware Limited Liability Company ("Sutton Mezz"), Sutton 58 Owner LLC, a Delaware Limited Liability Company ("Sutton Owner DE") and Sutton 58 Owner LLC, a New York Limited Liability Company ("Sutton Owner NY", and together with Sutton Mezz and Sutton Owner DE, the "Debtors") filed a motion (as amended on November 16, 2016, the "Motion") seeking entry of an order (I) authorizing a auction sale (the "Auction Sale") of the Debtors' real property and related development rights, (II) approving the terms and conditions to govern the Auction Sale, (III) setting an Auction Sale date, and (IV) granting related relief [Docket Nos. 271, 287]. On November 21, 2016, the Bankruptcy Court entered an order (the "Sale Procedures Order") approving the proposed terms and conditions governing the Auction Sale [Docket No. 301].<sup>1</sup>

2. Pursuant to the Sale Procedures Order, the Auction Sale was scheduled for December 13, 2016 at 11:00 a.m. to be held at Meridian Sales Group, 800 Third Avenue, 38th Floor, New York, New York 10022. On November 22, 2016, the Debtors filed a notice of the Auction Sale [Docket No. 304].

3. On November 22, 2016 Sutton 58 Associates, LLC, the senior secured creditor of the Debtors ("Lender"), and the Official Committee of Unsecured Creditors (the "Committee") filed a motion [Docket No. 305] to approve the disclosure statement with respect to the Creditor Plan of Liquidation dated November 14, 2016, as modified on November 22, 2016 (and as supplemented on December 5, 2016, the "Plan"). The Plan provides for the sale of the Assets at the Auction Sale. On December 8, 2016, the Bankruptcy Court issued an order approving the disclosure statement with respect to the Plan [Docket No. 333].

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Sale Order.

4. Pursuant to the Sale Procedures Order, on December 13, 2016 beginning at 11:00 a.m., the Debtors, with the assistance of their court-approved co-brokers, Meridian Capital Group LLC and Jones Lang LaSalle Americas, Inc., conducted the Auction Sale.<sup>2</sup>

5. Two Qualified Bidders appeared and submitted bids at the Auction, including the credit bid submitted by the Lender. After six rounds of bidding, the highest and best bid submitted at the Auction Sale was the credit bid submitted by the Lender in the amount of \$86,000,000, together with the assumption of certain obligations relating to assumed Contracts and the payment of Court-approved brokers' commissions, all as provided for more fully in the Credit Bid Agreement (as defined in the Plan) submitted by the Lender (such bid, the "Lender Credit Bid").

6. At the conclusion of all bidding at the Auction Sale, the Debtors, through their principals, accepted the Lender Credit Bid as the highest and best bid and selected the Lender as the Successful Bidder.

7. **The hearing (the "Auction Hearing") to confirm the selection of the Lender (or its designee) as the Successful Bidder for a sale of the Assets under the Plan and in accordance with its Credit Bid Agreement,<sup>3</sup> which sale shall be free and clear of any liens, claims or encumbrances in accordance with, inter alia, section 363(f) of the Bankruptcy Code, will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge for the Southern District of New York, One Bowling Green, New York, New York 10004, Courtroom 701 on December 22, 2016 at 11 a.m. The Auction Hearing may be adjourned or rescheduled without notice.**

8. At the Auction Hearing, the Debtors will seek Bankruptcy Court approval of the Successful Bid, provided however that the sale shall be subject to confirmation of the Plan at the confirmation hearing scheduled to be held on **January 11, 2017 at 10:00 am**.

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<sup>2</sup> A court reporter was present at the Auction Sale. To the extent that there are any inconsistencies between the transcript of the Auction Sale and this Notice, the transcript shall govern; provided however to the extent of any inconsistencies between the transcript of the Auction Sale and the Sale Procedures Order, including terms and conditions governing the Auction Sale, the Sale Procedures Order governs.

<sup>3</sup> The Lender will file the Credit Bid Agreement reflecting its Successful Bid as soon as practicable after execution by the Debtors and, in any event, prior to the Auction Hearing.

Submitted by:

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